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BULLETIN OF BUSINESS RESEARCH

COLLEGE OF COMMERCE & ADMINISTRATION
THE OHIO STATE UNIVERSITY

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BULLETIN OF BUSINESS RESEARCH

BUSINESS CONDITIONS SUMMARY

Ohio bank debits (checks) for May were much larger than in May, 1926, but declined slightly from April.

Ohio and the Pittsburgh district show a large increase in volume of **construction contracts** awarded in May over last month, and over May of last year. The increase applies both to floor space and to value of contracts. There was some recovery in construction employment in May, but the employment level was lower than in May, 1926.

The composite Ohio industrial employment curve declined 1.8 per cent in May but is only one-tenth of 1 per cent below its position in May, 1926. Iron and steel employment declined in May but is still above that of May, 1926.

Automobile sales in Ohio in May were larger than in May, 1926, after eliminating Ford cars from the count. The Ford buyers are apparently awaiting the arrival of the new models.

Retail trade (department store sales) in the Cleveland Reserve District for May was 2.3 per cent below that of May, 1926. The May-to-May decline in department store sales for the country as a whole was 3 per cent, according to the Federal Reserve Board.

The rate of interest was maintained in the face of gold imports mainly by reason of the large demand for funds used in stock speculation.

The stock market moved up to new highs in May but has shown some tendency to react in June.

Industry and trade continue active on levels slightly lower than in 1926. There are no strong indications of an early change in the current trend.

TABLE I.
SUMMARY OF BUSINESS CONDITIONS IN THE CITIES OF OHIO
Per Cent Change from (1) Previous Month and (2) Same Month Last Year

City	Bank Debits		Construction Contracts Awarded		Construction Employment		Metal Trades Employment		Foundries & Mach. Shops Employment		Automobile Bills of Sale Filed	Other Series for State of Ohio		
	*(1)	(2)	*(1)	(2)	*(1	(2)	(1)	2)	(1)	(2	(1)	Series	(1)	(2)
Akron	— 1.2	+13.2	+10.5	+96.5	+ 5.5	−54.8	—	—	—	—	— 5.4	Employment:		
Canton	—	—	—	—	+43.6	−43.4	+22.4	+.5	—	—	−21.1	Steel Works	+1.4	+ 7.2
Cincinnati	— 5.6	+14.3	+60.9	+36.3	— 1.9	+ 87.7	— 2.0	— 4.9	−5.0	— 7.2	— 5.3	Blast Furnaces	−1.7	−10.2
Cleveland	— 3.3	+12.5	— 5.5	+70.4	+ .2	+55.7	— .9	— 5.8	+1.2	+36.2	— 4.7	Composite Iron		
Columbus	— 4.7	+ 4.6	+ .3	+ 1.9	— 3.5	— 21.5	— 7.0	— 7.5	−23.4	— 1.8	−11.0	and Steel	−2.6	+ 4.7
Dayton	+ .6	+20.6	−28.4	— .2	−25.8	+63.3	—	—	+ 1.8	— 6.6	— 6.2	Composite		
Toledo	— .2	+16.9	+723.1	+680.7	+14.8	−47.9	— 6.1	+ .2	−38.2	−52.9	+ 3.6	Industrial	−1.8	— .1
Youngstown	+ 8.1	+ 1.2	+30.0	+55.0	+ 9.5	−11.9	—	—	—	—	−40.4	Wholesale Grocery Sales	+ 3.4	— 3.7
STATE	— 2.6	+15.0	+38.5	+ 65.5	— .9	−15.1	+ .7	−2.5	+5.0	+ 4.8	— 7.2	Retail Dry Goods Sales	— 4.4	+ 3.4

*The usual seasonal change is allowed for.

CHART I
COMPOSITE INDEX OF INDUSTRIAL EMPLOYMENT IN OHIO AND CLEVELAND DISTRICT OF DEPARTMENT STORE SALES
Average Month 1923 Equals 100
Department Stores Index Corrected for Seasonal Variation and Smoothed by 3 Months Moving Average

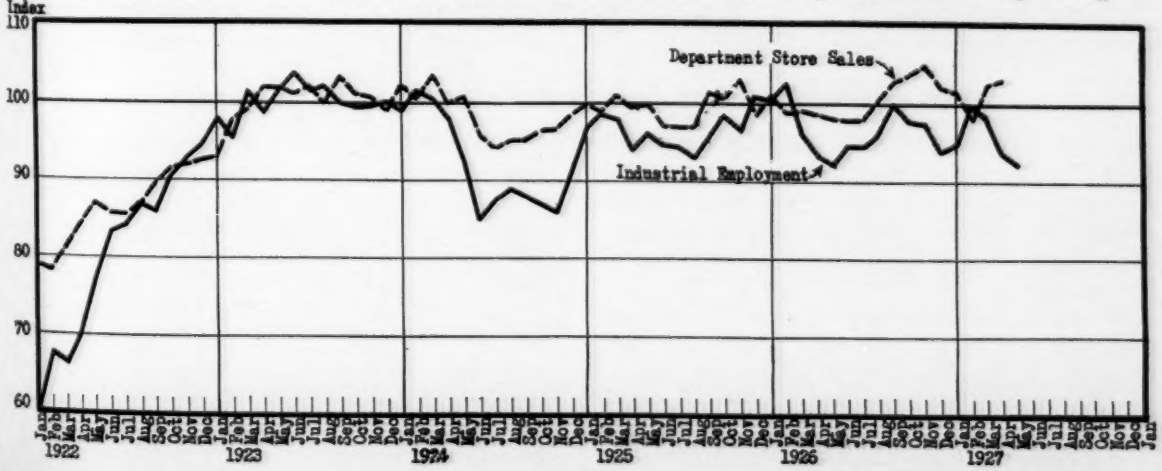
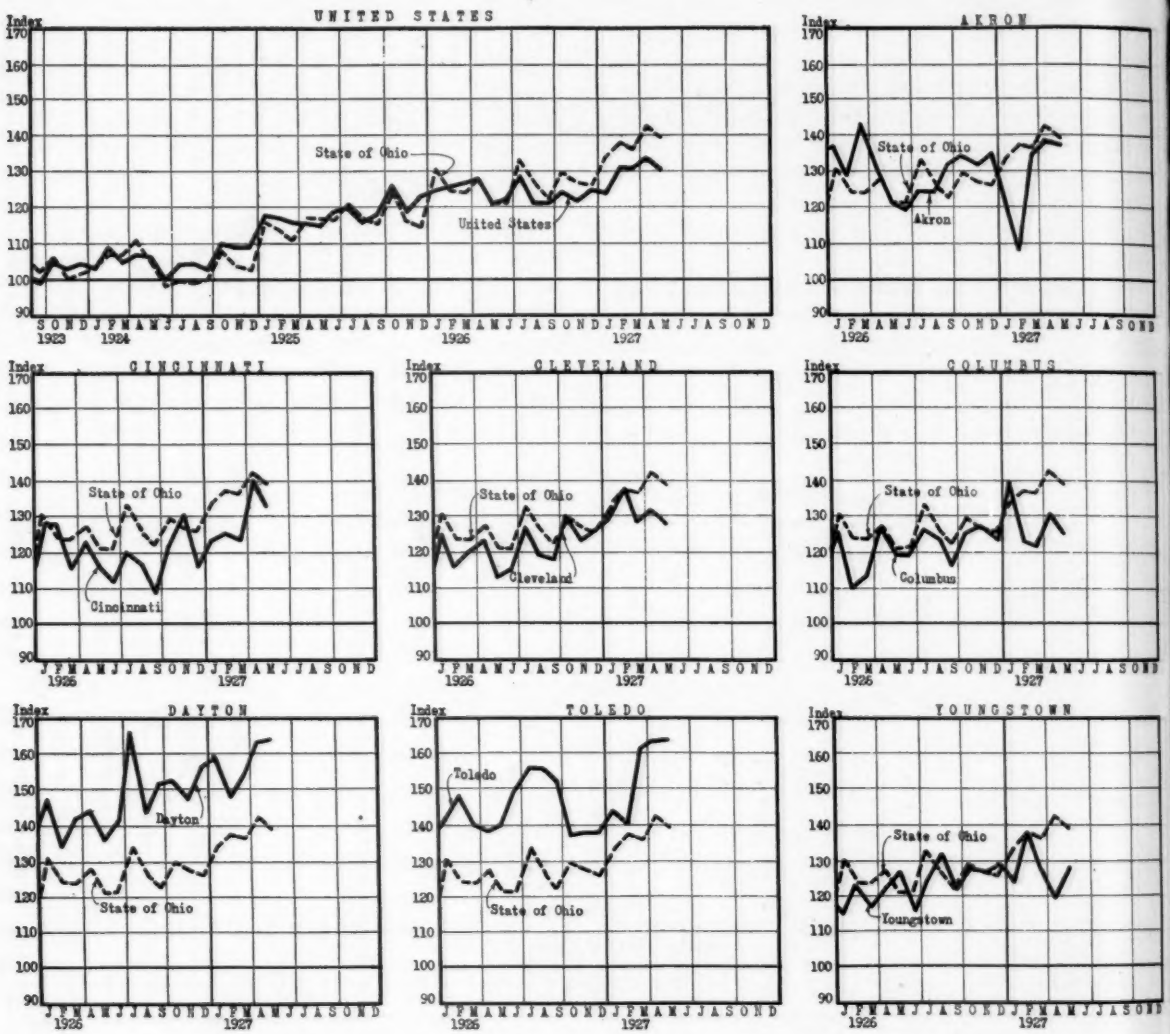


CHART II
BANK DEBITS IN OHIO CITIES
Corrected for Seasonal Variation

Average Month 1920-1924 Equals 100 Source: Federal Reserve Board



OHIO BUSINESS CONDITIONS AS REFLECTED IN BANK DEBITS

In both Ohio and the country as a whole the volume of check payments in May turned down from the previous month, after allowing for the usual seasonal change. The decline in the Ohio curve amounted to 2.6 per cent. However, the May level still shows an increase of 15 per cent from the level of May, 1926. These general business indicators show that business conditions in Ohio and in the country as a whole are still good. In the face of certain unfavorable factors, it is rather notable that the volume of business has held up so well.

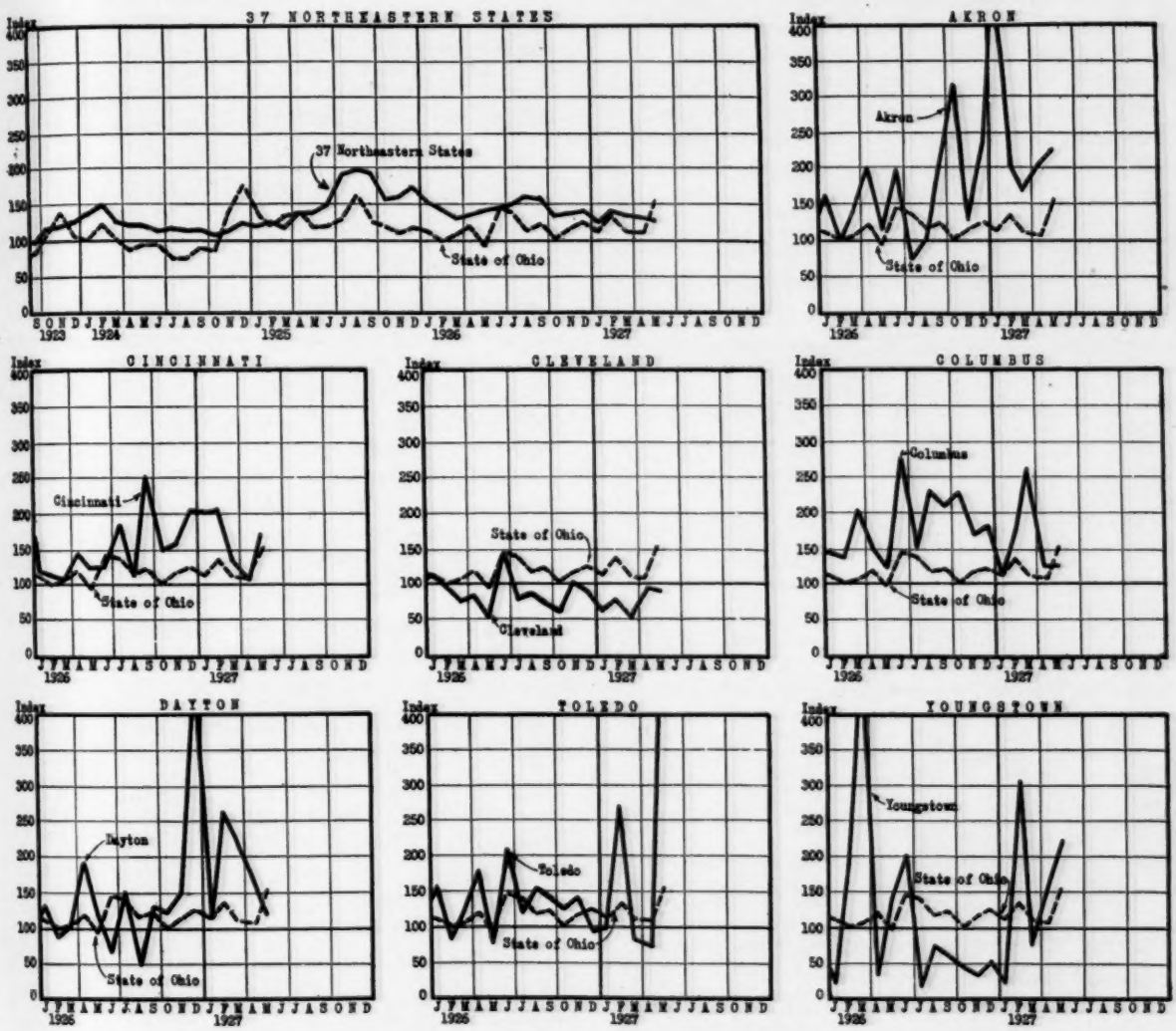
Of the seven cities for which the data are plotted in the above chart, four show declines in May and two show only slight increases, while Youngstown shows an up-turn of some significance. However, it will be noted in the case of Youngstown that the curve for the previous month dropped to a low level. Toledo and Dayton continue to show the highest relative level of activity. The curves for both of these cities continue well above the curve for the state. The most significant drops occurred in Columbus and Cincinnati. However, it is notable that all cities show increases over May of 1926. The percentage figures for the several cities are shown in Table I.

CHART III

FLOOR SPACE OF CONSTRUCTION CONTRACTS AWARDED IN OHIO

Corrected for Normal Seasonal Variation

Average Month 1920-1924 Equals 100 Source: F. W. Dodge Corporation



OHIO CONSTRUCTION CONTRACTS

The construction contracts curve for the State of Ohio, based on the floor space volume of contracts awarded, turned up very sharply in May. After allowing for the usual seasonal change, the curve still shows an increase of 38.5 per cent. The increase from May of 1926 is even more notable, amounting to 65.5 per cent. In contrast with this up-turn in Ohio, the curve for 37 Eastern States shows a slight decrease in May. The curves are based on the reports of the F. W. Dodge Corporation.

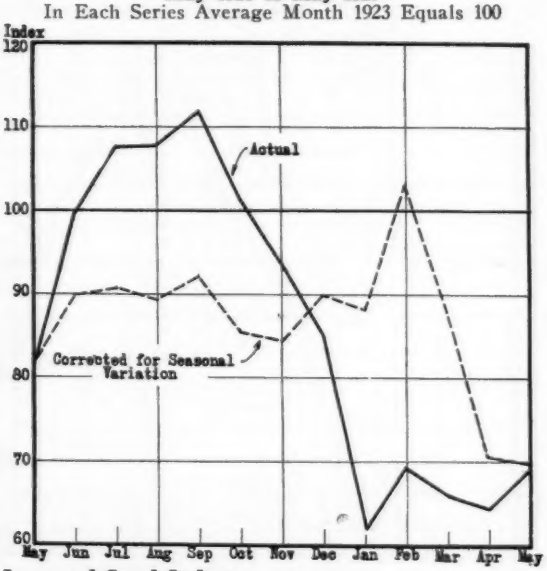
The erratic nature of the construction contracts series for individual cities is very clearly evidenced in the fluctuations of the curves for the seven cities. A phenomenal increase is shown in the Toledo chart and significant increases are shown in the Cincinnati and Youngstown charts. The curve for Dayton turned down rather sharply. The Cleveland curve changed very little, but the May level represents a large increase over the level of May, 1926. The percentage comparisons for the several cities are shown in Table I.

EMPLOYMENT IN OHIO CITIES

Construction Industry

The number of wage-earners employed in the Ohio construction industry in May shows an increase from April of 7.4 per cent. It will be seen from Chart IV, however, that employment in April was subnormal. The result is that the May level of employment shows a decrease of 15.1 per cent from employment in May, 1926. It is very clear from Chart IV that construction employment in the spring of 1927 has not registered the usual seasonal increase. This can be seen from the employment curve which is corrected for seasonal variation. The changes occurring in the several cities are shown in Table I, and the general change for the entire state is shown in Table II. The record for the several cities is rather spotted, showing about as many increases as decreases.

CHART IV
EMPLOYMENT IN THE CONSTRUCTION INDUSTRY IN OHIO
May 1926 to May 1927
In Each Series Average Month 1923 Equals 100

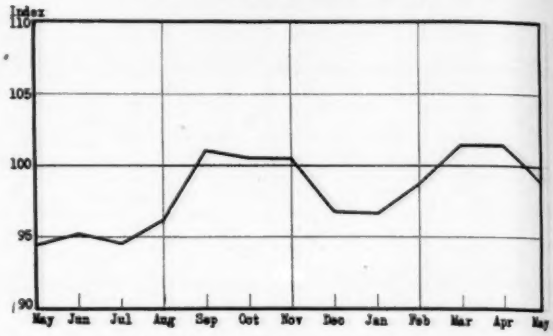


Iron and Steel Industry

The employment situation in the Ohio iron and steel industry as a whole is indicated in Chart V. This employment curve, which is a composite based on employment reports from blast furnaces, steel mills, and foundries and machine shops, shows a drop of 2.6 per cent from April. However, the change from May, 1926, amounts to a 4.7 per cent increase. The employment level is still close to the record level of 1923.

Employment conditions in the three branches of the iron and steel industry for which data are collected are indicated in Table II. The May reports from seven Ohio blast furnaces show a slight decline in employment. As compared with April, the decline amounts to 1.6 per cent. The May index shows a decrease of 10.2 per cent from the index for May, 1926. The

CHART V
EMPLOYMENT IN THE IRON AND STEEL INDUSTRIES IN OHIO
May 1926 to May 1927
Average Month 1923 Equals 100



reports from thirteen Ohio steel works and rolling mills show very little change in the employment situation. The curve shows an increase of 1.4 per cent from April in number of wage-earners employed. The May employment index shows an increase of 7.2 per cent from the index of May, 1926. May employment in foundries and machine shops declined 5 per cent from April. The May index of 95.7 shows, however, an increase of 4.8 per cent from the index of May, 1926. The employment indices for these three branches are shown in Table II. The changes occurring in foundry and machine shop employment in the several cities are indicated in Table I.

TABLE II
EMPLOYMENT IN OHIO
NUMBER OF WAGE EARNERS

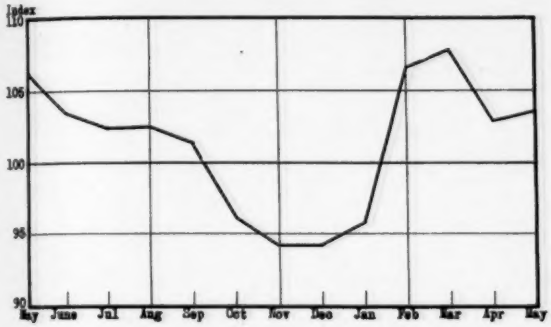
INDUSTRY	April 1927	May 1927	Change from May 1926	Aver. Jan. May Change from 1926
A—Construction (90)* (Aver. Mo. 1923=100)				
Actual	64.5	69.3	—15.1%	— 9.3%
Corr. for Seas. Var.	70.5	69.9	—15.1	— 9.3
B—Iron and Steel (Aver. Mo. 1923=100)				
Iron and Steel Group (84)	101.5	98.9	+ 4.8	— 2.4
Blast Furnaces (7)	94.5	92.9	—10.2	— 6.9
Steel Works and Rolling Mills (13)	103.7	105.1	+ 7.2	— .5
Foundries and Machine Shops (64)	100.7	95.7	+ 4.8	+ 5.0
C—Metal Trades** (213) Aver. Mo. 1925=100)				
No. Wage Earners	102.9	103.6	— 2.5	— 2.5

*Figures in parentheses indicate number of reporting firms.
**From National Metal Trades Association.

The Metal Trades

There was little change in metal trades employment in Ohio, according to the data submitted by the National Metal Trades Association. The employment curve in Chart VI increased seven-tenths of 1 per cent

CHART VI
EMPLOYMENT IN THE METAL TRADES IN OHIO
Based on Five Cities
May 1926 to May 1927
Average Month 1925 Equals 100



from April. The May level is 2.5 per cent lower than the level of May, 1926. The index covering the State as a whole is shown in Table II. The percentage changes registered in the several cities are listed in Table I. The State index is a composite based on the reports covering the indicated five cities. The percentages in Table I show four declines from April and one significant increase in Canton.

REGISTRATION OF AUTOMOBILE BILLS OF SALE

The reports from fifty-five clerks of courts of Ohio counties covering registration of new automobile bills of sale in May show registrations of 19,974 passenger car bills and 1,674 commercial car bills. This represents a decrease of 7.2 per cent from April in passenger car bills and a decline of 6.1 per cent in commercial car bills. This is about the normal seasonal change, April as a rule being the peak month in automobile sales. The data are shown in Table III.

The index of new passenger automobile sales in Ohio, based on registration of bills of sale in four large Ohio counties, shows a decrease from April of 3.7 per cent. This does not vary greatly from the decrease noted in Table III, covering the extensive list of counties. It will be seen from Chart VII that sales in 1927 are somewhat below the 1926 record. The May-to-May decrease in the index amounts to 13.7 per cent.

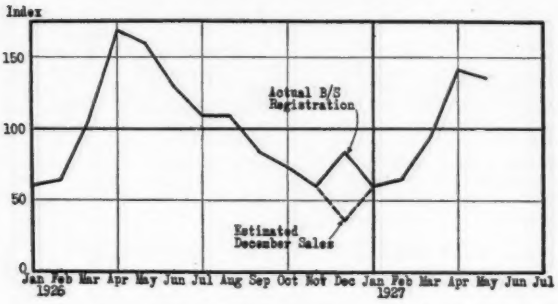
In the May issue of the BULLETIN OF BUSINESS RESEARCH attention was called to the Bureau's cooperation with the Ohio Council of the National Automobile Dealers Association, and in that issue a table was presented showing the registration of new automobile bills of sale in the five largest counties of Ohio by competitive groups. These data for May are again presented in Table IV. An examination of this table

TABLE III
REGISTRATION OF AUTOMOBILE BILLS OF SALE IN OHIO COUNTIES, MAY, 1927
(The Counties Listed Represent over 80% of the Population of Ohio)
Source: Clerks of Courts of Listed Counties

County	County Seat	Pass. Cars		Com. Cars	
		No.	Per Cent Increase Over Previous Month	No.	Per Cent Increase Over Previous Month
Allen	Lima	236	−13.9	26	0.0
Ashtabula	Jefferson	332	− 8.0	41	5.1
Belmont	St.Clairsville	205	19.9	46	360.0
Brown	Georgetown	44	− 4.3	3	50.0
Butler	Hamilton	324	− 4.7	21	5.0
Carroll	Carrollton	43	−27.1	2	0.0
Champaign	Urbana	96	− 9.4	10	66.7
Columbiana	Lisbon	439	4.8	22	− 26.7
Cuyahoga*	Cleveland	4,549	− 4.7	319	− 6.7
Darke	Greenville	153	13.3	13	18.2
Defiance	Defiance	80	− 1.2	8	100.0
Fairfield	Lancaster	174	− 23.7	6	− 53.8
Fayette	Washington C. H.	58	−10.8	2	− 60.0
Franklin	Columbus	1,241	−11.0	145	
Fulton	Wauseon	170	14.9	5	66.7
Gallia	Gallipolis	47	−11.3	3	0.0
Geauga	Chardon	30	−38.8	0	
Guernsey	Cambridge	112	−13.2	7	−66.7
Hamilton	Cincinnati	1,642	− 5.3	190	−25.8
Henry	Napoleon	93	−26.8	1	− 83.3
Highland	Hillsboro	95	21.8	13	44.4
Hocking	Logan	49	−21.0	6	
Huron	Norwalk	193	18.4	10	− 23.1
Jackson	Jackson	85	−24.8	10	100.0
Jefferson	Steubenville	305	− 6.4	34	36.0
Knox	Mt. Vernon	175	−19.4	6	− 33.3
Lake	Painesville	206	−18.9	8	− 61.9
Lawrence	Ironton	103	6.2	15	36.4
Licking	Newark	246	2.1	12	− 55.6
Lorain	Elyria	430	− 6.5	45	18.4
Lucas**	Toledo	1,292	3.6	138	39.4
Mahoning	Youngstown	538	−40.4	72	20.0
Medina	Medina	167	5.0	19	− 18.8
Meigs	Pomeroy	49	−21.0	16	− 11.1
Miami	Troy	209	−12.2	21	23.5
Monroe	Woodsfield	49	−14.0	3	− 40.0
Montgomery	Dayton	998	− 6.2	88	− 19.3
Morrow	Mt. Gilead	47	−17.5	3	
Muskingum	Zanesville	305	−16.4	10	66.7
Ottawa	Port Clinton	135	33.7	15	− 6.3
Paulding	Paulding	47	27.0	1	− 88.9
Perry	New Lexington	112	− 7.4	7	0.0
Pickaway	Circleville	85	−18.3	4	− 20.0
Putnam	Ottawa	97	19.8	4	− 33.3
Ross	Chillicothe	122	−12.2	11	− 15.4
Scioto	Portsmouth	275	4.6	24	9.1
Seneca	Tiffin	267	9.9	17	21.4
Shelby	Sidney	95	−14.4	4	33.3
Starke	Canton	796	−21.1	72	− 15.3
Summit	Akron	1,362	− 5.4	69	− 11.5
Trumbull	Warren	488	− 4.3	19	− 38.7
Union	Marysville	61	− 6.2	3	− 25.0
Wayne	Wooster	221	−11.6	12	− 47.8
Williams	Bryan	124	14.8	6	− 50.0
Wyandot	Upper Sandusky	78	− 6.0	7	− 22.2
Total of Comparable Counties		19,974	− 7.2	1,529	− 6.1
Total of Listed Counties		19,974		1,674	

* Supplied by Cleveland Automobile Manufacturers and Dealers Association.
**Supplied by Toledo Automotive Trades Association.

CHART VII
INDEX OF NEW PASSENGER AUTOMOBILE SALES IN OHIO
(Based on Registration of Bills of Sale in Four Ohio Counties *)
Jan. 1926 to April 1927
Average Month 1926 Equals 100



* Cuyahoga (Cleveland), Hamilton (Cincinnati), Lucas (Toledo), Summit (Akron). These represent over one-third of the population of Ohio.

shows the volume of sales in each competitive group in each county with the percentage changes from 1926. The makes of cars in each group were listed in the May issue of the BULLETIN.

It has been found through experience with automobile dealers that while they have a certain interest in the sales by makes according to competitive groups, their chief interest is in the data showing sales of particular makes. The dealer who is handling a particular car is interested in comparing his own sales with the total sales of his make and with the total sales of other makes which are in his competitive field. Consequently, in co-operation with the Ohio Council of the National Automobile Dealers Association, it has been decided to show in the BULLETIN each month the total registrations of new passenger car bills of sale for the four large counties of Ohio, for which comparable data are available. These data are listed in Table V.

In this table the registrations for April and May, 1927, are shown. The percentage comparisons with 1926 are also indicated. The fluctuating conditions in the automobile market are clearly shown in these percentage comparisons. For example, it will be seen that twenty makes show declines in sales for the year to date, in comparison with the same period of 1926, while twenty show increases and one make shows no change. This is indicative of the extremely competitive conditions which now prevail in the market. The registrations during May show a decline of 13.7 per cent from May, 1926. However, it is interesting to note that when Ford figures are excluded from the picture the registrations of May, 1927, show an increase of 10.1 per cent from May, 1926.

Further interesting facts are shown in Table VI. This table gives the sales ranking of leading makes of passenger cars in the four Ohio counties. The percentages are based on the data shown in Table V.

TABLE IV
REGISTRATION OF AUTOMOBILE BILLS OF SALE IN THE FIVE LARGEST COUNTIES OF OHIO
By Competitive Groups
In Cooperation with Ohio Council, National Automobile Dealers' Association

COUNTY	May 1927	Change From May 1926	Jan.—May 1927	Change From Jan.—May 1926
CUYAHOGA				
Group I	1,731	−26.1%	6,331	−25.2%
II	676	−22.7	2,654	− 4.4
III	1,869	+ 2.0	6,145	− .9
IV	273	− 5.9	928	+ 5.6
Total	4,549	−14.8	16,058	−12.3
LUCAS				
Group I	740	+10.4	2,326	− 3.4
II	145	−25.3	581	−12.6
III	349	−26.9	1,481	− 9.8
IV	59	− 4.8	231	+ 7.9
Total	1,292	− 8.0	4,619	− 6.3
HAMILTON				
Group I	715	−24.6	3,541	− 6.3
II	312	− 3.4	1,181	+ 2.3
III	536	+ 3.7	1,814	− 9.4
IV	79	− 7.1	316	− 3.1
Total	1,642	−12.3	6,852	− 5.6
SUMMIT				
Group I	716	−20.3	2,608	−13.6
II	214	−13.7	779	+ 8.6
III	381	−13.2	1,272	− 3.1
IV	51	− 1.9	146	+ 1.4
Total	1,362	−16.8	4,805	− 7.4
FOUR COUNTIES				
Group I	3,902	−19.7	14,806	−16.1
II	1,347	−17.9	5,195	− 2.5
III	3,135	− 4.0	10,712	− 4.5
IV	462	− 5.5	1,621	+ 3.4
Total	8,846	−13.7	32,334	− 9.8
FRANKLIN				
Group I	670	−27.6	2,595	−40.9
II	221	−42.9	1,002	−31.6
III	309	.....	1,185	.....
IV	57	.....	224	.....
Total	1,257	.....	5,006	.....
FIVE COUNTIES				
Group I	4,572	.....	17,401	.....
II	1,568	.....	6,197	.....
III	3,444	.....	11,897	.....
IV	519	.....	1,845	.....
Total	10,103	.....	37,340	.....

TABLE V
TOTAL REGISTRATIONS OF AUTOMOBILE BILLS OF SALE IN FOUR OHIO COUNTIES
By Makes and Competitive Groups
In Cooperation with Ohio Council, National Automobile Dealers' Association

GROUP AND MAKE	May 1927	April 1927	Change from May, 1926	Jan.-May 1927 Change from 1926
I Chevrolet	2,147	2,090	+ 41 %	+ 51 %
Ford	1,104	1,036	− 63	− 56
Star	82	84	− 1	− 26
Whippet	569	471	+121	+ 39
Total	3,902	3,681	− 19.7	− 16.6
II Dodge	253	195	− 66	− 64
Erskine	15	7	.....	.....
Essex	464	617	− 10	+ 19
Falcon-Knight	41	31	.....	.....
Oldsmobile	158	198	− 26	+ 8
Pontiac	416	408	+155	+299
Total	1,347	1,456	− 17.9	− 2.5
III Auburn	107	124	+ 73	+ 36
Buick	575	659	− 11	− 14
Chandler	162	194	+ 15	+ 4
Chrysler	538	564	+ 65	+ 82
Davis	2	0	− 33	− 88
Diana	3	2	+ 50	− 78
Elcar	22	18	+ 83	+ 44
Flint	6	7	− 90	− 88
Gardner	16	20	− 11	+ 3
Hudson	196	211	− 13	− 21
Hupmobile	141	134	+ 16	+ 8
Jordan	74	71	− 36	− 10
Kissel	3	7	− 67	− 47
Moon	14	8	− 56	− 50
Nash	408	522	− 3	+ 5
Oakland	140	140	− 39	− 44
Paige-Jewett	83	105	− 55	− 51
Reo	94	96	+147	+114
Studebaker	243	276	− 5	− 12
Velie	8	13	+ 14	+ 12
Willys-Knight	299	292	− 5	+ 19
Total	3,135	3,463	− 4.0	− 4.5
IV Cadillac	48	89	− 55	− 34
Franklin	15	21	− 48	− 16
La Salle	40	42	.....	.....
Lincoln	28	42	0	+ 1
Locomobile	13	10	0	− 36
Marmon	59	72	+436	+359
Packard	88	145	− 9	+ 11
Peerless	120	104	+ 3	− 11
Pierce-Arrow	28	28	+ 8	+ 7
Stearns	10	18	− 62	− 20
Stutz	7	14	− 50	− 11
Rolls-Royce	1	1	.....	+100
McFarlan	5	5	0	0
Total	462	591	− 5.5	+ 3.4
Grand Total	8,846	9,191	−13.7%	− 9.8%

*Cuyahoga, Hamilton, Lucas, and Summit.

TABLE VI
SALES RANKING OF LEADING MAKES OF PASSENGER CARS BASED ON BILL OF SALE REGISTRATIONS IN FOUR OHIO COUNTIES*

MAKE OF CAR	Percentage of Total Bills of Sale Registration			
	May 1927	April 1927	May 1926	Jan.–May 1927
Chevrolet	24.3	22.7	14.9	24.9
Ford	12.5	11.3	29.2	14.9
Buick	6.5	7.2	6.3	6.0
Whippet	6.4	5.1	2.5	5.3
Chrysler	6.1	6.1	3.2	5.8
Essex	5.2	6.7	5.0	6.4
Pontiac	4.7	4.4	1.6	4.3
Nash	4.6	5.7	4.1	4.7
Willys-Knight	3.4	3.2	3.1	2.8
Dodge	2.9	2.1	7.3	2.9
Studebaker	2.7	3.0	2.5	2.7
Hudson	2.2	2.3	2.2	2.0
Chandler	1.8	2.1	1.4	1.6
Oldsmobile	1.8	2.2	2.1	2.0
Hupmobile	1.6	1.5	1.2	1.6

*Cuyahoga, Hamilton, Lucas, and Summit.

THE TREND OF BUSINESS

Stock Market and the Business Situation

There was a distinct boom in the stock market in the month of May. Reference to Table VII shows that this boom was general in the various groups of stocks but was largest in the coal, auto accessory, electric equipment, farm machinery, metal, railroad equipment, and the traction, gas and power groups. Nearly half of these gains were lost, however, in a reaction occurring in the first and second weeks of June. Loans to brokers were reaching a large figure as indicated under the Banking and Credit paragraph below. The technical position of the market made it vulnerable to attack by short interests. Moreover, the reports on employment and retail sales for May were not particularly favorable so far as the immediate industrial prospects are concerned. Fisher's yield on industrial stocks had declined on June 4 to 4.3 per cent which was a little below the interest rate on four to six months' paper. The present prices of stocks are high and further declines before the end of the year seem probable.

TABLE VII
STANDARD INDICES OF THE SECURITY MARKET
COMMON STOCK PRICES—BY GROUPS
Source: Standard Statistics Company, Inc.

GROUP	June 4, 1927	Change in Points from April 30*	1927 Range	
			High	Low
229 Stocks	168.7	+ 7.2	169.5	152.4
198 Industrials	175.5	+ 7.6	176.2	159.0
31 Rails	152.5	+ 6.4	153.4	135.7
10 Automobiles	280.7	+12.0	280.7	222.6
8 Auto Accessory	487.5	+22.0	487.5	373.4
11 Chain Stores	460.0	+ 4.9	471.0	412.3
7 Chemical	184.5	+ 4.5	189.0	178.1
3 Coal	89.1	+27.8	89.1	60.7
10 Copper	115.0	- 1.9	120.0	114.3
3 Electrical Equipment	302.4	+26.2	302.4	248.6
3 Farm Machinery	190.5	+21.0	193.7	148.0
9 Food	363.6	+15.7	371.9	306.1
5 Leather and Shoe	63.7	+ 5.8	64.1	56.9
5 Machine Manufacturers	109.3	+ 6.4	109.3	93.6
3 Mail Order	188.7	+ 5.8	188.7	175.0
12 Metals—(Misc.)	155.3	+16.6	155.3	120.3
13 Paper	86.2	+ 9.2	86.6	74.3
7 Petroleum	98.3	- 1.0	114.2	98.3
10 Railroad Equipment	203.5	+19.4	203.5	175.2
3 Shipping	22.6	+ 2.8	24.6	19.2
9 Steel	137.7	+ 6.4	137.7	122.4
6 Sugar	71.3	+ .7	72.9	66.6
5 Telegraph and Cable	179.8	+ 8.5	179.9	163.7
5 Textiles	40.4	+ .6	42.8	36.5
3 Theaters	175.6	- 2.8	191.1	164.2
7 Tires and Rubber	45.3	- 5.4	54.6	45.3
7 Tobacco	189.4	+15.8	189.4	165.2
16 Traction Gas and Power	245.9	+20.6	245.9	214.6
18 Misc. (Industrials)	235.4	+17.8	236.5	207.

*Indices shown in last Bulletin.

Banking and Credit

In so far as bank debits (checks) may be taken as an index of the volume of business the May data shown in Table VIII indicate an increasing activity in trade. The per cent of increase of bank debits in the United States for May, 1927, over May, 1926, was larger than the per cent of excess for five months ending May, 1927, over the corresponding period in 1926. A similar statement may be made for bank debits in Ohio except that the increase over the preceding year is larger in Ohio than it is for the country as a whole.

TABLE VIII
BANKING CONDITIONS
Source: Federal Reserve Board

ITEM	April 1927	May 1927	Change from May 1926	Average Jan.—May change from 1926
Index of Bank Debits**				
Ohio*	142.8	139.1	+15.0%	+9.9%
United States outside of New York City*	133.5	130.4	+ 7.8	+ 3.4
New York City	161.5	158.9	+18.6	+ 8.6
Interest Rates:				
Call Money	4.33%	4.22%	+ 3.4	- 4.7
Commercial Paper, (60—90 days)	4.25	4.37	+ 7.9	- 1.9
Time Money (4—6 Months)	4.41	4.25	+ 2.9	- 1.5
New York Fed. Res. Rediscount Rate	4.00	4.00	+14.3	+ 3.6

**Average month 1920—24 equals 100.
* Corrected for normal seasonal variation.

The New York City data on bank debits reflect increased activity on the New York Stock Exchange during the month of May. The total of bills discounted held by the Federal Reserve Banks was $496.5 millions on June 1. This was in excess of the average of such bills for the month of May, but was $28.5 millions under the total for June 2, 1926. The average rate for commercial bills, as shown in Table VIII, was slightly higher in May, 1927, than in May, 1926, but on June 4 the rate for commercial paper was 4 to 4¼ per cent, which was the same as it was on that date last year. The average holdings of U. S. bonds by the Federal Reserve Banks during May, 1927, was lower than in May, 1926, but there was a material increase in such holdings during the first week of June. The Federal Reserve ratio of reserve to total liabilities was 76.8 per cent on June 1, 1927, as compared with 78 per cent on May 4, 1927, and 74.3 per cent on June 2, 1926.

These conditions do not indicate that firmer rates are in prospect. There was a slight increase in brokers' loans during May, the total on June 1 being $3,062 millions in comparison with $2,920 millions on May 4, and $2,493 millionns on June 2, 1926. The high figure of loans to brokers before the break in stock prices in the early months of 1926 was $3,139 millions on January 6, 1926. These comparative data call attention to the fact that loans to brokers are now at a high level.

Iron and Steel

Average pig iron prices were slightly lower in May than in April. Average daily production of pig iron, scrap prices, unfilled orders, and percentage of furnaces in blast, were all slightly lower in May than in April (see Table IX). For the first week in June the *Iron Age* composite price of pig iron was $19.07, which is a little lower than the May average. The price of steel during the first week of June was 2.374 cents a pound, which was a little above the average prices prevailing in April and May. Steel ingot production during the first five months of 1927 was only one-half of 1 per cent below that of 1926 for the same period. While automobile demand for steel is lower the increased number of small orders is said to be the chief sustaining factor in steel. The *Iron Trade Review* estimated that steel production was at about 95 per cent capacity during May, while 58.4 per cent of the furnaces were in blast.

TABLE IX
IRON AND STEEL CONDITIONS—MAY, 1927
Sources: Iron Trade Review
Iron Age

ITEM	April 1927	May 1927	Change from May 1926	Average Jan.—May change from 1926
Prices:				
Pig Iron (per ton)	$ 19.21	$19.10	− 5.8%	− 8.9%
Finished Steel (per pound)	$ .02360	$ .02357	− 2.4	− 2.2
Scrap(No. 1 wrought at Chicago, per ton)	$ 13.50	$ 12.94	+ 3.1	− 3.7
Unfilled Orders of U. S. Steel Corp. (tons)	3,456,132	3,050,941	− 16.4	− 18.4
Operations:				
Per cent of furnaces in blast	60.7	58.4	− 7.3	− 2.3
Avg. daily pig iron production (tons)	114,146	109,388	− 2.5	− 1.6

Construction Contracts Awarded

The total money value of contracts awarded in 37 Eastern States was a little larger in May, 1927, than in May, 1926. The value of these contracts for the first five months of 1927 was almost the same as in 1926 for the same period. There was, however, a decline of 13 per cent in the floor space of the May contracts for 1927 as compared with May, 1926. This decline in floor space results from a decrease in residential building. In dollar volume residential building has fallen in the first five months of 1927 $74 millions below the total for the same period of 1926. In this same period of 1927 the value of public works and utility contracts has increased by $45 millions over the corresponding period of 1926.

According to the F. W. Dodge charts in the May *Graphic Review,* industrial building has averaged above normal in 1927 and commercial building has remained at about normal levels. In May commercial building was below normal as it was in April. Industrial building fell below normal in May for the first time since January, 1927, but was only slightly below normal. One of the interesting features of the F. W. Dodge report is found in the large power plant construction contracts awarded in the Pittsburgh district. There is also a considerable volume of construction in the iron and steel industry, both in the Pittsburgh district and in the central west.

Due probably to the industrial developments in Ohio and in the Pittsburgh district, there is a notable increase in the value of contracts awarded in the Pittsburgh district and in Ohio in May, 1927, as compared with the total for May, 1926 (see Table X). Reference to Chart III, page 5, will show that there was also an increase in the floor space of contracts awarded in Ohio in May, 1927, as compared with those awarded in May, 1926.

TABLE X
CONSTRUCTION CONTRACTS AWARDED IN 37 EASTERN STATES AND BY DISTRICTS—MAY, 1927
Source: F. W. Dodge Corporation
(In Millions)

DISTRICT	April 1927	May 1927	Change from May 1926	Average Jan.—May change from 1926
New York State and Northern New Jersey	$ 163.6	$ 139.1	− .6%	−12.8%
New England	42.5	41.4	−12.5	− 1.7
Middle Atlantic	73.2	55.9	− 3.6	+24.1
Pittsburgh	84.5	78.2	+22.2	+11.8
Southeastern	44.9	55.7	− 5.4	−30.4
Central West	165.8	151.9	+ 7.3	+21.0
Northwest	9.3	8.6	−28.3	−22.8
Texas	20.6	21.6	+70.1	+39.4
Total of 37 Eastern States	$ 604.4	$ 552.3	+ .5%	− .3%

Automobiles

Automobile production showed relative improvement in April. The decrease of April, 1927, production as compared with that of April, 1926 (see Table XI), is less than the average decrease of production for the first four months of 1927 in comparison with the same period of 1926. On the contrary, the same table shows that dealers' sales of General Motors cars showed a smaller increase in April, 1927, over April, 1926, than was shown in the first four months

TABLE XI
PASSENGER AUTOMOBILE PRODUCTION IN THE UNITED STATES AND CANADA, AND GENERAL MOTORS SALES
Source: U. S. Department of Commerce
Commercial and Financial Chronicle

GROUP	March 1927	April 1927	Change from April 1926	Average Jan.–April change from 1926
Automobile production	360,754	373,961	− 6.9%	−14.2%
General Motors' Sales				
Dealers Sales	146,275	180,106	+31.8	+41.0
Division Sales	161,910	169,067	+37.7	+37.3

of 1927 in comparison with the first four months of 1926. In comparison with 1926, Table XII shows increases in retail sales of automobiles in the Philadelphia Reserve District and decreases in the Chicago district.

TABLE XII
AUTOMOBILE TRADE IN PHILADELPHIA AND CHICAGO FEDERAL RESERVE DISTRICTS
Source: Federal Reserve Banks

Classes of Cars	Philadelphia Dist. Change from		Chicago Dist. Change from	
	March 1927	April 1926	March 1927	April 1926
New Cars:				
Wholesale:				
Number sold	+ 7.8%	+20.5%	− 5.0%	− 6.7%
Value	+ 5.3	+ 6.6	− 9.0	−20.4
Retail:				
Number Sold	+12.0	+35.1	+12.7	−24.0
Value	+10.1	+20.6	+23.4	−16.2
On hand April 30				
Number	−26.5	− 9.6	− 5.5	−21.5
Value	−19.6	− 1.9	− 6.4	−10.3
Used Cars:				
Number Sold	−13.8	+16.2	+ 4.7	+ 7.6
Salable on hand				
Number	+ .5	+21.4	−10.8	−13.5
Value	+ 2.9	+15.0	− 4.5	− 5.8

From the figures on registrations of bills of sale in Ohio collected by the Bureau of Business Research, it appears that the decline of sales in May as compared with sales in May, 1926, was due to the decline in Ford sales as indicated by the results in four of the most populous counties in the State. That is, the registrations of bills covering cars other than Fords for May were larger than they were in May, 1926.

The actual appearance of the new Ford models may change this whole situation, since much of the current decline in passenger car purchases is probably a postponement until the new Ford models are available.

Employment

There was a decline of only 1.8 per cent in Ohio industrial employment for May, 1927, in comparison with April and only one-tenth of 1 per cent in comparison with May, 1926. There has been a three-months' decline in industrial employment which is paralleled by a similar movement in the corresponding months of 1926. This summer dip in industrial employment has occurred in the years 1924-1927 but did not occur in 1923.

The employment index for manufacturing industries for the whole country stood at 93.2 in April in comparison with 93.9 in March and 96.4 in March, 1926. While the Ohio index has declined more during the past three months, it still compares more favorably with last year than does the index for the country as a whole. It is also interesting to note that the Federal Reserve Boa.·d's industrial production index for April stood at 109, which compares with 112 in March and 107 in April, 1926. That is, industrial production in April, 1927, is higher than for the same month in 1926, while industrial employment is lower. Moreover, industrial employment shows a downward trend from the fall of 1925 to date, while industrial production shows an upward trend. This is doubtless explained by increasing efficiency in production and the weeding out of the small inefficient concern.

The *Industrial Barometer* of Detroit shows employment in 1927 on a lower basis than in 1926, the drop from April to May in 1927 being slightly larger than it was in 1926. The average weekly employment in May, 1926, was 245,000 and in May, 1927, 221,000, representing a loss of 24,000. For the last week of May, 1927, the loss was 38,000 as compared with the same week of May, 1926. The decline of employment in New York State from April to May, 1927, ranged from 1 to 2 per cent, the food industries being the only ones to show increase.

Agricultural Situation

The May report of the U. S. Department of Agriculture on winter wheat showed about 2,000,000 more acres planted than last year. The early forecast of 594,000,000 bushels compares with 627,000,000 bushels harvested in 1926. The average farm price of wheat in April, 1927, was $1.17 a bushel in comparison with $1.42 in April, 1926. The price of number 2 red wheat on June 4, 1927, was $1.584 a bushel in comparison with $1.558 on May 6 and $1.773 on June 5, 1926.

Corn planting is late on account of bad weather conditions. The price of number 2 yellow corn in New York on June 4, 1927, was $1.171 in comparison with $0.973 on May 6, 1927, and $0.863 on June 5, 1926. This rise in the price of corn has been accompanied by a decline of about $4 a hundred pounds in the price of hogs as compared with prices a year ago.

The price of midling upland spot cotton in New York advanced from 15.65 cents a pound on May 6 to 16.75 cents a pound on June 4. Cotton prices have been advancing from month to month since January, 1927. The more pronounced rise in May was caused mainly by the Mississippi flood. A total of about 30 per cent of the long staple cotton acreage was affected by the floods. Some of this land has been planted after the waters receded, but since about 3,000,000 acres of land (mainly cotton land) were inundated there will be a material reduction in cotton acreage as a result of the floods.

The U. S. Department of Agriculture index of the purchasing power of farm products in terms of non-agricultural commodities advanced 1 point in April to 83. This compares with 88 a year ago, 90 two years ago, and 80 three years ago.

Wholesale Prices

There was a halt in the downward trend of wholesale prices during the month of May. Reference to Table XIII shows that prices at the end of May were above the May average. The groups of commodities standing above the all-commodity average were farm products, textile products, and building materials. The May average for all commodities was 141.3 or the same as the April average. The upturn in wholesale prices, as shown in Chart IX, occurred in the last week of May. This upturn is clearly due to the strong demand for building materials and the unfavorable crop prospects. It is too early to regard the price recovery as more than temporary in character. With a declining trend in industrial employment the price situation must be still uncertain with possible further declines in iron and steel and in many non-agricultural products.

TABLE XIII
INDICES OF U. S. WHOLESALE PRICES BY COMMODITY GROUPS—MAY, 1927
Average Month 1913 Equals 100
Source: The Annalist

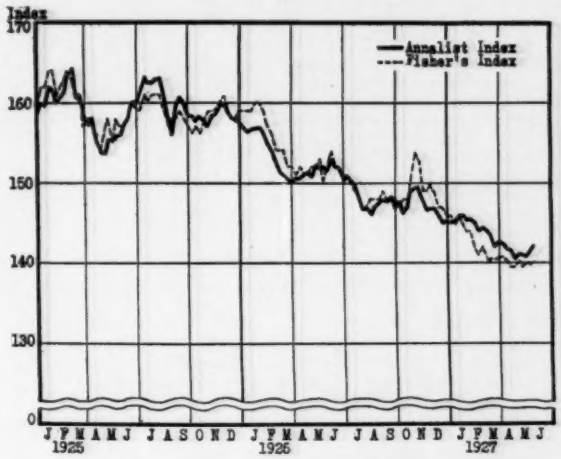
COMMODITIES	May 31, 1927	May, 1927*	Change Change from May, 1926
Farm Products	136.5	134.9	− 7.0%
Food	147.9	148.3	− 7.6
Textile Products	144.8	143.8	− 7.9
Fuels	156.8	156.9	−15.0
Metals	121.0	121.0	− 3.1
Building Materials	163.7	162.0	− 2.2
Chemicals	134.9	134.9	+ 1.0
Miscellaneous	120.4	120.5	− 4.7
ALL COMMODITIES	142.1	141.3	− 6.9

*Average monthly price index.

Domestic Trade

The sales of 629 department stores according to the Federal Reserve Board were 3 per cent lower in May than in May, 1926. The sales of two mail order houses for May showed no change as compared with May, 1926, while five and ten cent chain store sales for May (eight chains) were 5.7 per cent higher than in May, 1926. Department store sales for May in the Cleveland Reserve District were 2.3 per cent lower than they were in May, 1926. This decline is partly due to the fact that industrial employment has been showing some decline during the past two months. The declines appeared in all the Federal Reserve districts except in the Dallas and San Francisco districts, where there were small increases.

CHART IX
WEEKLY INDICES OF WHOLESALE PRICES
January 1925 to June 3, 1927
Average Month 1923 Equals 100
Source: New York Times & Annalist



The Bureau's May index of dry goods sales in Ohio was 101.7, which compares with 102.6 in May, 1926, and 106.4 in April, 1927. The Bureau's index of wholesale grocery daily sales in May was 83, which compares with 80.3 in April and 86.2 in May, 1926.

The more favorable weather prevailing in June is said by the *Fairchild Textile-Apparel Analysis* to have caused an improvement in retail sales in the early part of June in a number of large cities.

Foreign Trade

Merchandise exports in April, as shown in Table XIV, exceeded those for March and also those for April, 1926, but imports show decline with reference both to the preceding month and the same month of 1926. This decline in merchandise imports was accompanied by a considerable importation of gold which has averaged $11.5 millions per month during the last four months. Moreover, the Federal Reserve Banks are holding a gold account in France to prevent further importation. It is of interest to note that Germany is increasing imports and decreasing exports as compared with last year.

An observation of March prices in foreign countries shows the same downward trend which has prevailed for some months. During 1927, prices have been comparatively stable in Germany and Switzerland. Table XV shows prices a little higher in Germany than they were a year ago. Gold prices have been rising in France on account of the stabilization of the franc.

TABLE XIV
FOREIGN TRADE OF CHIEF INDUSTRIAL NATIONS
(In Millions)
Source: U. S. Department of Commerce

COUNTRY	March 1927	April 1927	Change from April 1926 %	Ave. Jan. April change from 1926 %
United States (Dollars)				
Mdse. Exports	410.0	415.0	+ 7.0	+ 7.0
Mdse. Imports	377.0	378.0	− 5.0	−13.5
Excess of Exports	33.0	37.0	.....	.....
Gold Exports	5.6	2.6	−85.5	−12.2
Gold Imports	14.2	14.5	+10.4	+11.5
Excess of Imports	8.6	11.9	.....	+21.1
United Kingdom (Pounds Sterling)				
Exports	62.1	52.6	− .2	− 8.0
Imports	113.5	100.8	− 1.7	− .5
Excess of Imports	51.4	48.2	+ 3.2	− 9.5
France (Francs)				
Exports	.....	4,254.0	−2.3	+ 3.8
Imports	.....	4,298.0	−14.4	−11.6
Excess of Imports	.....	44.0	+93.4	.....
Germany (Gold Marks)				
Exports	842.0	798.4	+ 2.1	− 3.1
Imports	1,086.0	1,103.8	+51.4	+54.7
Excess of Imports	244.0	305.4	.....	.....
Japan (Yen)				
Exports	154.0	160.9	− .1	−12.4
Imports	229.3	233.1	− .8	−13.8
Excess of Imports	75.3	72.2	+ 2.4	+16.9

TABLE XV
INTERNATIONAL WHOLESALE PRICE INDICES
(In Terms of Gold, Pre-War Equals 100)
Source: Federal Reserve Bulletin

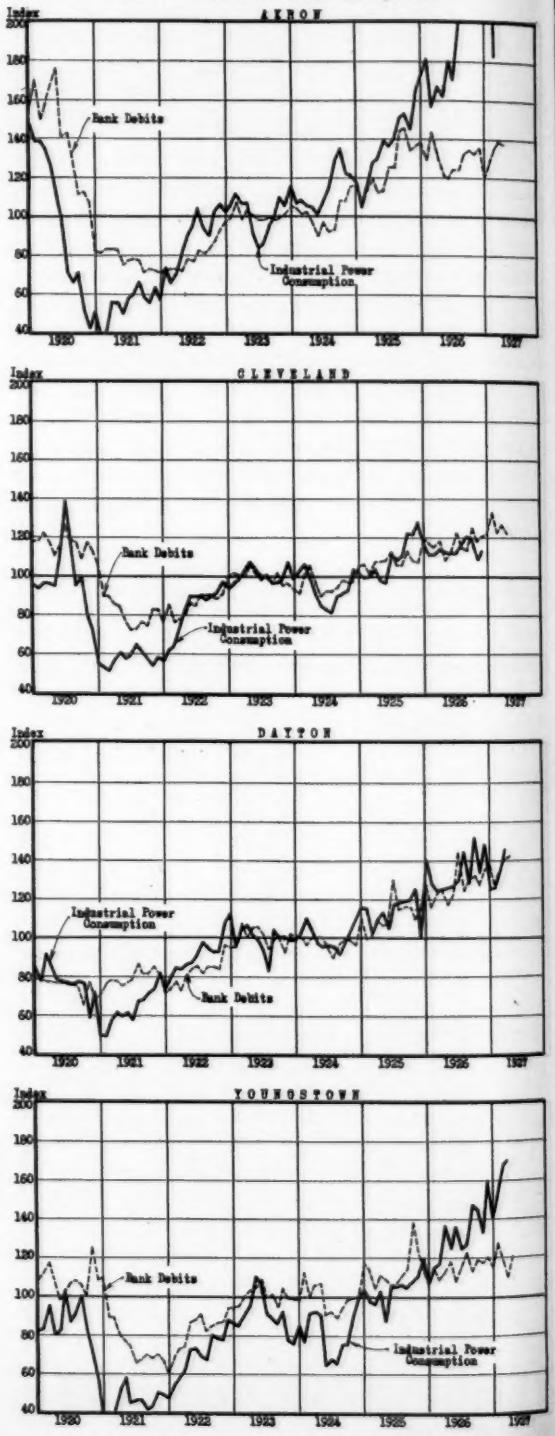
COUNTRY	Feb. 1927	Mar. 1927	Change from Mar. 1926
United States (Bureau of Labor Statistics)	146	145	− 4.6%
England (Board of Trade)	143	141	− 2.3
France (Federal Reserve Board)*	121	122	+19.5
Germany (Federal Statistical Bureau)	135	134	+ .8
Japan (Tokyo)*	168	..	.....

*The Board's indices were converted on the basis of changes in the dollar value of the currency unit. The average of the cable transfer rates for the month was used.

INDUSTRIAL POWER CONSUMPTION AS A MEASURE OF INDUSTRIAL ACTIVITY IN OHIO CITIES

It has been recognized within recent months that the consumption of electric power by industrial concerns affords one of the best measures of industrial activity. The increasing electrification of industries within the past few years has been notable. One of the advantages of such a measure of industrial activity is the availability of data. Through the co-operation of the power companies of the cities of Ohio the Bureau has been engaged for some time in compiling data showing the consumption of electric power by industrial concerns. The results of this activity are shown in Chart

CHART X
INDEX OF INDUSTRIAL POWER CONSUMPTION IN OHIO CITIES COMPARED WITH INDEX OF BANK DEBITS — 1920-1927
Both Series Corrected for Seasonal Variation
Average Month 1923 Equals 100
Source: Local Power Companies



X. In this chart the series for four Ohio cities are presented. For comparative purposes the Bureau's index of bank debits is shown for each city in connection with the index of electric power consumption. Both series for all cities have been corrected for normal seasonal variation.

It will be noted that the Cleveland index has not been brought up to date. This is a temporary limitation and this index will be carried forward as soon as the records in Cleveland are revised. It is interesting to note the relationship between the measures of industrial power consumption and the measures of bank debits. It is recognized, of course, that these measures are rather distinct, the industrial power consumption curve reflecting industrial activity only and the bank debits curve reflecting, in terms of dollar totals, all business activity. Nevertheless, fairly general correlation between the two series would be expected, and the charts show this to be the case. The greatest disparity in the fluctuations of the two series is to be noted in the cases of Akron and Youngstown. In particular within recent months the industrial power consumption curve has been running well ahead of the bank debits curve in both cities. This is indicative of the increased industrial activity in these cities.

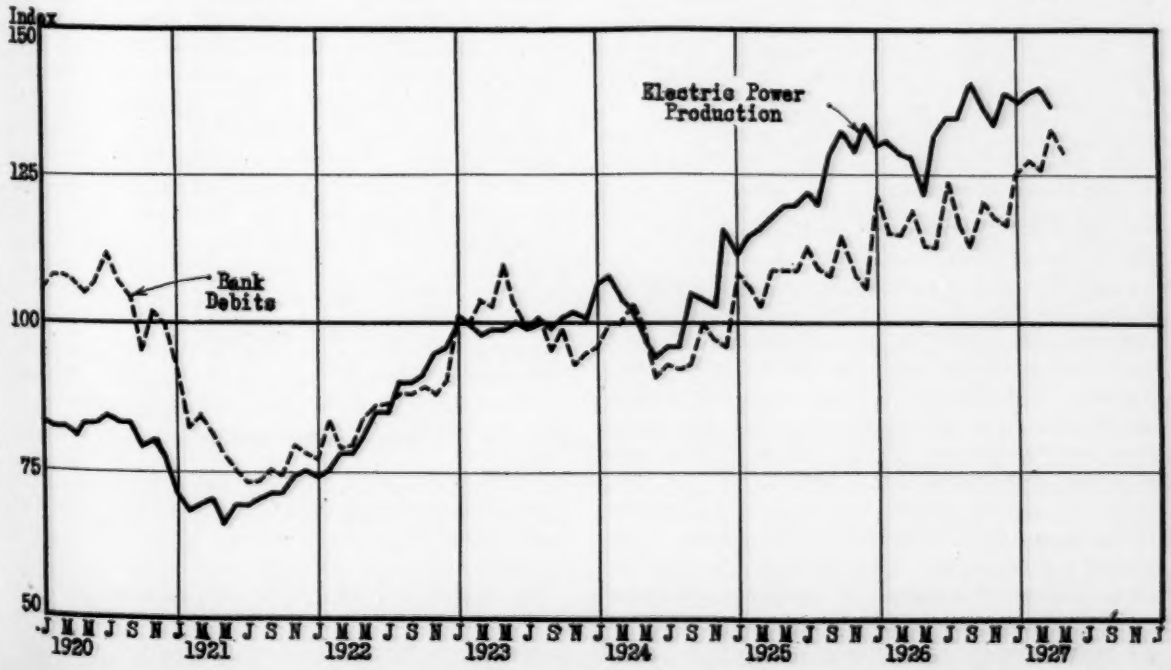
As soon as the data for additional cities can be collected and analyzed, it is planned to present the data for these other cities and also to compute a composite index as representative of the entire State. Meanwhile, there is presented in Chart XI an index of electric power *production* in the State of Ohio. This curve is based on the reports of the United States Geological Survey and covers all electric power production for the state as reported to the Geological Survey by the electric power companies. The bank debits curve for the State of Ohio is also shown on this chart. This electric power production curve is, of course, distinct from the curves for the several cities, since the production series covers production of electric power for all purposes; that is, residential, street lighting, and transportation in addition to production for industrial concerns. It would be expected that this electric power production curve would be more stable than a curve representing industrial power consumption, since there is not such great variation in the non-industrial consumption of electric power. The curves in Chart XI have been corrected for the normal seasonal movement.

CHART XI

INDEX OF ELECTRIC POWER PRODUCTION IN OHIO COMPARED WITH INDEX OF BANK DEBITS
1920-1927

Both Series Corrected for Seasonal Variation

Average Month 1923 Equals 100 Source: U. S. Geological Survey


Index
150
125
100
75
50
Electric Power Production
Bank Debits
J M M J S N J M M J S N J M M J S N J M M J S N J M M J S N J M M J S N J M M J S N J M M J S N J
1920
1921
1922
1923
1924
1925
1926
1927

EXCERPTS FROM A PAPER ON INVENTORY CONTROL

Delivered by Willis Wissler
Before A. M. A. Detroit Conference on
Production Methods
May 27, 1927

"Among the things I want to generalize upon for the purpose of showing how they center up to what one might call an applied economics concept of running a business is the idea that the turnover investment on a predetermined rate of return is the first test of a successful control of industry. Inasmuch as commitments in money extending over a considerable period of time may undergo changes in value due to changes in the purchasing power of money arising out of changes in the general price level (with which you are all only too familiar), we are suggesting that the inventory controls be put in terms of time, which is a common denominator to both financial and production schedules. By operating inventory controls in terms of turnover time, tie-ups by delay or excesses in any of the factors that go into your product can then be presented in an accurate picture of time loss on investment which can be translated back into current dollar terms to make them dramatic in the manner which Mr. Grothe has so well described * * *

"A second idea is the desirability of reducing inventory to zero. That, of course, is the unattainable ideal. The ideal of the manufacturer would be attained when raw materials flowed directly through processes into consumption without any necessity for stores-keeping or storage at all. Of course that ideal can never be attained, but the degree to which we approach it is a measure of good management. In inventory control, all our refinements of business, all our flexibility of ordering points and ordering lots, are based upon this concept of trying to approach as nearly as possible to zero inventory — in actual practice to the elimination of all inventories other than work legitimately in process.

"A third idea is that machinery and equipment are part of this reduceable inventory; that machinery and equipment are merely so much product tied up in a more obscure form of stores, that the object of buying a machine is the purchase of a certain definite output, and that the more definitely you can buy that output as to specification and quantity, the more ideal your experience with the machine is going to be. The idea, then, is to take this machine and translate it as directly and economically as possible into the output of the product you are selling. This, of course, simplifies the whole matter of obsolescence of machinery, of depreciation — all of these problems which enter into the cost systems we have been discussing.

"In connection with this I would like again to emphasize the point Mr. Grothe makes as to the danger of excessive obsolescence arising from over-capacitation; the fact that when you are equipping your plant specifically for a special purpose with special purpose machinery, instead of with general purpose machinery, you are then taking a hazard by tying your capital up for a market that may be only a temporary one. So you have to figure in terms of the economies you can get from special type machinery and economies you can effect in salvaging of machinery by putting a flexibility into it which will enable you to adjust your application of machine equipment to change in your markets. In other words, what you might want to do is constantly to shift from inventories of depreciating goods, whether it be in raw materials, finished stocks, or machine equipment, into inventories of appreciating value. And sometimes those appreciating stocks would have to take the form of money itself. There are times when money is the best kind of material into which you can change your inventory. In other words, there are times when it is better to run very low, run on a part-time basis, and keep your inventory in money instead of in raw materials * * * Work in process congregates into obsolescence. That is a very important danger which is confronted when there is not adequate control of work in process.

"A company which put in a perpetual inventory of work in process reported only last week that they had been able to squeeze $1,000,000 out of their inventory and that this economy, combined with certain refinements in their limits and reordering points in raw materials control, had reduced their turnover — that is, what many loosely call their manufacturing cycle — from three months to less than one and one-half months. That seems, of course, very astonishing. The company was especially delighted because this included a period during November in which they experienced one of the heaviest runs on their product since the boom times of the war years. They say that if they had not had those controls, their purchasing department would have 'gone through the roof.'"

BOOK REVIEWS

Business Without a Buyer, by Foster and Catchings. Pollak Foundation for Economic Research. Houghton Mifflin Co.

This is the latest of the Pollak Foundation series from the fertile pen of Foster and Catchings. From the degree of repetition (often verbatim) of entire sections from previous works—notably from "Profits" —it appears that the vein is growing perilously thin. The overcomplacent write-up on the impotence of criticism of their position also seems lacking in re-

straint. This the more so as they start out, not unlike a medicine show, to promise all things and then end with a "to be continued in our next."

They say their solution is clearly implied. If so we must find the proposed solution in two chapters. In the chapter on the automobile industry they find promise of solution by the lag of production output to construction work expenditures. Let industry spent enough money in expansion and in other capital costs to give consumers a sufficiency of income to buy the total existing output before the new capacity for output stored in the plant yields additional supply and all should be well.

That this is merely robbing Peter to pay Paul, or a species of outrunning one's coat tails, they see and acknowledge in their chapter on Mussolini. What is needed, they conclude, is more money when and where you need it. Thus by a "managed money"—which shall increase purchasing power for consumers without imperilling by depreciation the purchasing power of profits—they would have the enterpriser have his cake and eat it too.

Their text is that the diversion of profits (and other savings) into production goods makes the acquisition of profits by sale of the total output impossible. How to divert cash profits, which this very misdiversion prevents from accruing to profit-takers, we leave to the ingenious solvers of "ask me another"; the show is over before even the curtain can rise.

* The Foster and Catchings thesis briefly stated, is that continuance of the profits indispensable to a continuance of modern business, is constantly menaced by insufficiency of consumer purchasing power. This insufficiency of money to buy the total product they assert is aggravated by saving. These savings—notably those out of profits—being lavishly invested in further production facilities, tend to exaggerate the discrepancy between consumption and production and so precipitate the business crises of our business cycles.

Foremanship Training, by Hugo Diemer. McGraw, Hill & Co., N. Y., 230 pp.

This modest text by Hugo Diemer presents the best approach to foremanship training thus far published. This is achieved largely by a sensible distinction between the content and the method of foremanship instruction. The foreman should need little technical training and even if he did,—so great is the variety and degree of skill called for in foremen,—as any attempt short of an encyclopedia presumptuous and absurd.

Yet once this technical field of foremanship training is cut out of the training field little in the usual type of training course that is substantial or worth while remains. This can explain the "namby-pambyism" that mars most foremanship training literature. Having surrendered the physical content of foremanship these popularizers also throw overboard the essence of the managerial method which, of all things, the average foreman most needs.

It is significant that the refinements of present day business practice and control, such as market analyses, planned production, budgeting, sales quotas, have been evolved out of the technique of industrial management. From this continuous analogy we might well conclude that industrial management embodies certain universal laws and principles which can be codified and have force and value irrespective of time, place, or nature of product. This Mr. Diemer senses and it is because he has met with a very fair success in presenting these management fundamentals as such—and not as particularized administrative procedures—this book is a good book.

Any employer who is contemplating spending time and money upon specialized foremanship training, i. e., training not integrally embodied in the actual running of his business, will do well to get and read this compact and simply phrased text.

The American Accountant, A Monthly Magazine, by Homer S. Pace, N. Y. City, $4.00 a year.

Many of those interested in accounting have long felt that insufficient expression was being given in books and magazines to the undertakings and the problems of the commercial and industrial accountant as distinguished from those of the accountant engaged in professional practice. Most accounting literature, and particularly the periodicals in the field, have been prepared primarily by and for those with either an academic or a professional attitude toward the subject. Their contributions to the science of accountancy have been notable ones, but in them stress has been laid on many points with which the accountant in business is not particularly concerned, while on the other hand many of the most vital and pressing problems of the accountant engaged in executive and operating work have received scant attention.

Because of this fact, a warm welcome would seem to be assured for *The American Accountant,* a new monthly magazine sponsored by Homer S. Pace, long known as a leader in accounting study, education, and practice. The new magazine is designed for all those doing accounting work of any sort, and it aims to discuss accounting problems of all types, not merely those incident to professional practice. In the words of Mr. Pace, "a 'greater' practice is assumed—a practice that includes the work of the executive accountant in private employment (no matter whether he is a controller, auditor, treasurer, cost accountant, office manager, or credit man), as well as the work of the public accountant."

The early issues of the publication bear out the editor's claims for it. There is a great variety of ma-

terial of scientfiic, educational, historical, and practical interest. Particular attention is paid to the interests of students and beginners in the field, and a forum is established for the discussion of the problems of the junior accountant, either in or out of professional practice. The broad viewpoint and experience of the editor is evident throughout, and his selection of material is such as to appeal to a wide range of interests.

The standard subscription rate of the magazine is $4.00 for one year, or $8.25 for three years. The editorial and business offices are in the Hudson Terminal Building, New York City.

CONVENTION CALENDAR

June 20-23	Omaha, Nebraska	National Association of Retail Grocers, C. H. Jansen, Secretary-Manager, 601 Gumbel Building, Kansas City, Missouri.
June 20-23	Omaha, Nebraska	National Wholesale Grocers' Association of the United States, M. L. Toulme, Secretary, 6 Harrison Street, New York City.
June 23-24	Atlantic City, N. J.	National Knitted Outerwear Association, E. B. Gordon, Secretary, 347 Fifth Avenue, New York City.
June 28-30	Detroit, Michigan	American Seed Trade Association, C. E. Kendel, Secretary, P. O. Box 545, Cleveland, Ohio.
June 26-30	Denver, Colorado	International Advertising Association, Earle Pearson, General Manager, 383 Madison Avenue, New York City.
June 27-30	Mackinac Island, Michigan.	National Retail Hardware Association, Herbert P. Sheets, Secretary, 915 Meyer Kiser Bank Building, Indianapolis, Indiana.
July 3-10	Seattle, Washington	National Education Association, James W. Grabtree, Secretary, 1201 Sixteenth Street, N. W., Washington, D. C.
July 4-7	Montreal, Canada	International Association of Clothing Designers, H. K. Burnam, Secretary, Room 511-A, No. 1 Union Square, New York City.
July 11-15	Detroit, Michigan	American Institute of Banking, Richard W. Hill, Secretary, 110 East Forty-Second Street, New York City.
August 9-12	Providence, R. I.	Retail Credit Men's National Association, A. B. Sanders, Assistant Secretary, 606 Equitable Building, St. Louis, Missouri.
August 9-12	Louisville, Ky.	International Apple Shippers' Association, R. G. Phillips, Secretary, 1108 Mercantile Building, Rochester, New York.

PUBLICATIONS OF THE BUREAU OF BUSINESS RESEARCH

The publications of the Bureau of Business Research are of three types: (1) regular bulletins reporting results of studies conducted by the Bureau; (2) special bulletins presenting preliminary or informal reports of limited scope and of interest primarily to certain trade groups; (3) monthly bulletins dealing with current business conditions, both in general and in special fields.

Bulletins in the regular series, when available for general distribution, will be sent upon receipt of check. Bulletins in the special series will also be generally available, but in limited quantities and subject to withdrawal on exhaustion of the supply. The list below contains the numbers, titles, and prices of the bulletins so far published:

REGULAR SERIES

No.	*Title*	*Price*
R-1	Salesforce Compensation and Expense of Ohio Wholesale Grocers — Year 1924	$ .50
R-2	A Uniform System of Accounts for Retail Furniture Dealers (price to residents of Ohio, $1.00) regular price	5.00
R-3	Housewives' Buying Habits in Columbus, Ohio — Year 1924	.50
R-4	Salesforce Compensation and Expense in Retail Furniture Stores of the Ohio Valley — Year 1924	.50
R-5	The Ten-Payment-Plan of Retailing Men's Clothing	.50
R-6	The Construction Industry in Ohio	1.00
R-7	Ohio Employment Studies	.50
R-8	Money Lending Practices of Building and Loan Associations in Ohio	.50

SPECIAL SERIES

X-1 Survey of Ohio Retail Dry Goods Advertising — Year 1924
X-2 Survey of Ohio Retail Clothing Advertising — Year 1924
X-3 Operating Results of Ohio Wholesale Grocers — Year 1923
X-4 Operating Results of Ohio Wholesale Grocers — Year 1924
X-5 Content of Advertising Courses in Colleges of Commerce — Agency Suggestions
X-6 Sales, Outstandings, and Advertising of Ohio Retail Dry Goods Dealers—Year 1925
X-7 Training for Retail Advertising
X-8 Operating Results of Ohio Wholesale Grocers — Year 1925
X-9 Delivery Costs in the Wholesale Grocery Trade
X-10 Influence of Ten-Payment-Plan on Prestige or Stores
X-11 Location, Circulation, and Rates of Ohio Daily Newspapers
X-12 Operating Results of Ohio Wholesale Grocers—Year 1926

Proceedings of Management Week 1925 (all sections—cloth binding)	$2.00
Office Management Section	.50
Production Section	.50
Marneting Section	.50
Accounting Section	.50
Proceedings of Management Week, 1926	
Business Statistics Section	.50
Industrial Management Section	.50
Elimination of Waste Section	.50